

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

October 16, 2003

IN RE:

**PETITION OF WISPNET, LLC AND DURO
COMMUNICATIONS FOR APPROVAL OF
TRANSFER OF OWNERSHIP AND CONTROL
OF ALEC, INC. D/B/A VOLARIS TELECOM**

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**DOCKET NO.
03-00483**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Sara Kyle of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on September 22, 2003 for consideration of the Notice¹ filed by Wispnet, LLC and DURO Communications for TRA approval required by Tenn. Code Ann. § 65-4-113(a) & (b) to transfer the authority to provide utility services.

Tenn. Code Ann. § 65-4-113

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of

¹ Considered by the TRA as a petition for approval of a transfer of authority.

public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Notice

In the Notice, which was filed with the TRA on August 21, 2003, the Parties outline a transaction in which Wispnet purchased from DURO all shares of ALEC, Inc. d/b/a Volaris Telecom ("ALEC"). Since the transaction resulted in an indirect transfer of ALEC's CCN to provide telecommunications services granted by the TRA on May 11, 1999 in Docket No. 98-00599, the Parties are seeking the TRA's approval.

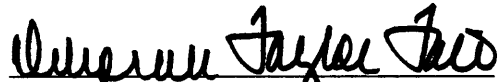
According to the Notice, Wispnet has extensive experience in the telecommunications industry as it was formed by two members of DURO's senior management team. Wispnet intends to make capital investments in ALEC to make it a stronger and more effective competitor in the ISP market. The transfer was, apparently, transparent to ALEC customers as there was no change in the rates, terms or conditions of service as a result of the transaction.

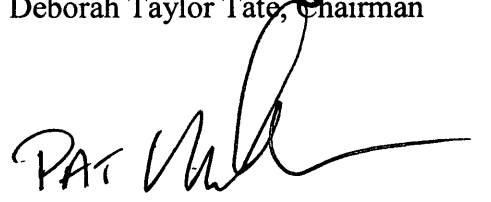
The September 22, 2003 Authority Conference

At the September 22, 2003 Authority Conference, the Directors found that the transfer of authority would not harm the public interest and voted unanimously to approve the transfer.

IT IS THEREFORE ORDERED THAT:

The transfer of authority as described in the Notice and discussed herein is approved.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Sara Kyle, Director